

Senate File 2290 - Reprinted

SENATE FILE 2290
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SSB 3135)

(As Amended and Passed by the Senate March 9, 2022)

A BILL FOR

1 An Act establishing a dairy processing and milk production
2 innovation and revitalization fund and program to be
3 administered by the economic development authority, in
4 consultation with the department of agriculture and land
5 stewardship, and requiring the department to study the
6 feasibility of establishing an artisanal dairy processing
7 program at a community college or at an institution governed
8 by the state board of regents.
9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 15E.371 Dairy processing and milk
2 production innovation and revitalization fund and program.

3 1. As used in this section unless the context otherwise
4 requires:

5 *a.* "*Department*" means the department of agriculture and land
6 stewardship.

7 *b.* "*Financial assistance*" means assistance provided only
8 from the funds and assets legally available to the authority
9 pursuant to this section and includes assistance in the form of
10 grants, low-interest loans, and forgivable loans.

11 *c.* "*Fund*" means the dairy processing and milk production
12 innovation and revitalization fund.

13 *d.* "*Located in*" means the place or places at which
14 a business's operations are located and where at least
15 ninety-eight percent of the business's employees work, or where
16 employees that are paid at least ninety-eight percent of the
17 business's payroll work.

18 *e.* "*Program*" means the dairy processing and milk production
19 innovation and revitalization program.

20 2. *a.* The fund is created in the state treasury under
21 the control of the authority and consists of any moneys
22 appropriated to the fund by the general assembly and any
23 other moneys available to or obtained or accepted by the
24 authority for placement in the fund. Moneys in the fund are
25 appropriated to the authority to award financial assistance as
26 provided under the program. The authority shall use any moneys
27 specifically appropriated for purposes of this section only for
28 the purposes of the program.

29 *b.* Notwithstanding section 8.33, moneys in the fund
30 that remain unencumbered or unobligated at the close of the
31 fiscal year shall not revert but shall remain available for
32 expenditure for the purposes designated until the close of the
33 succeeding fiscal year.

34 3. The authority, in consultation with the department,
35 shall establish and administer the program for the purpose of

1 awarding financial assistance to eligible businesses engaged in
2 projects that do any of the following:

3 *a.* Expand or refurbish existing milk plants or establish a
4 new milk plant, operating pursuant to a permit issued pursuant
5 to section 192.111.

6 *b.* Expand or refurbish existing mobile dairy processing
7 units, or establish new mobile dairy processing units.

8 *c.* Rent building, refrigeration facilities, freezer
9 facilities, or equipment necessary to expand dairy processing
10 capacity, including mobile dairy or refrigeration units used
11 exclusively for dairy processing.

12 *d.* Incorporate methods and technologies that reduce farm
13 labor associated with milk production and storage, including
14 but not limited to the use of robotics and processes or systems
15 that operate using computerized equipment or machinery.

16 4. The authority, in consultation with the department,
17 shall establish eligibility criteria for the program by rule.
18 The eligibility criteria must include all of the following:

19 *a.* The business must be located in this state.

20 *b.* The business must not have been subject to any regulatory
21 enforcement action related to federal, state, or local
22 environmental, worker safety, food processing, or food safety
23 laws, rules, or regulations within the last five years.

24 *c.* The business must only employ individuals legally
25 authorized to work in this state.

26 *d.* The business must not currently be in bankruptcy.

27 *e.* The business must employ less than fifty individuals.

28 5. A business seeking financial assistance under this
29 section shall make application to the authority in the manner
30 prescribed by the authority by rule.

31 6. Applications shall be accepted during one or more
32 annual application periods to be determined by the authority
33 by rule. Upon reviewing and scoring all applications that are
34 received during an application period, and subject to funding,
35 the authority may, in consultation with the department, award

1 financial assistance to eligible businesses. A financial
2 assistance award shall not exceed the amount of eligible
3 project costs included in the eligible business's application.
4 Priority shall be given to eligible businesses whose proposed
5 project under subsection 3 will do any of the following:

6 a. Create new dairy processing jobs.

7 b. Create or expand opportunities for local small-scale milk
8 producers to market pasteurized milk and milk products under
9 private labels.

10 c. Provide greater flexibility or convenience for local
11 small-scale farmers to have milk processed.

12 d. Reduce labor associated with the on-farm production and
13 storage of milk.

14 7. A business that is awarded financial assistance under
15 this section may apply for financial assistance under other
16 programs administered by the authority.

17 8. The authority may use not more than five percent of
18 the moneys in the fund at the beginning of each fiscal year
19 for purposes of administrative costs, marketing, technical
20 assistance, and other program support.

21 9. The authority shall, in consultation with the
22 department, adopt rules pursuant to chapter 17A to administer
23 this section.

24 Sec. 2. ARTISANAL DAIRY PROCESSING PROGRAM REPORT.

25 1. The department of agriculture and land stewardship
26 shall study the feasibility of establishing an artisanal dairy
27 processing program at a community college or at an institution
28 governed by the state board of regents. The department
29 shall consider staffing and equipment requirements, potential
30 enrollment numbers, overall employment outlook for graduates,
31 apprenticeship and internship opportunities, program costs,
32 curriculum, and regulatory and legal requirements.

33 2. The department shall submit a report by December 31,
34 2022, to the general assembly that includes findings and
35 recommendations of the department based on the study.